

BOARD DOCUMENT 07-06

Indiana Board of Accountancy
Minutes of Meeting
Held on
June 15, 2007

Indiana Professional Licensing Agency
Indiana Government Center-South
402 West Washington Street
Room W064
Indianapolis, IN 46204

MEMBERS PRESENT: Richard Beuter, Chairman
Timothy Deisher
Michael Flowers
Randolph G. Holt
Joseph Higgins
Cynthia Peck, Chairman

STATE OFFICIALS PRESENT: James Schmidt, Deputy Attorney General

MINUTES COMPILED AND
TRANSCRIBED BY: Deborah Widemon, Board Director

MINUTE NO. 07-49 CALL TO ORDER AND ESTABLISHMENT OF QUORUM

The meeting was called to order at 10:00 a.m. on June 15, 2007 pursuant to public notice posted at the principal office of the Board at least forty-eight (48) hours prior to the meeting. A copy of the agenda is attached to the minutes and marked as **BOARD EXHIBIT 07-06A**.

MINUTE NO. 07-50 ADOPTION OF THE AGENDA

J. Higgins moved to adopt the agenda. C. Peck seconded the motion. Motion carried.

MINUTE NO. 07-51 ADOPTION OF THE MINUTES FROM THE MAY 18, 2007 MEETING OF THE BOARD

R. Holt moved to approve the minutes of May 18, 2007 as amended. T. Deisher seconded the motion. Motion carried.

MINUTE NO. 07-52
ADMINISTRATIVE HEARINGS

STATE OF INDIANA V. JEFFREY L. SECRIST, CPA, LICENSE NO. CP08603749
ADMINISTRATIVE CAUSE NO. IBA 04-10
RE: PETITION FOR WITHDRAWAL OF PROBATION

Mr. Secrist was present without counsel. Joseph Basile, Deputy Attorney General, represented the State of Indiana. Mr. Secrist appeared to request withdrawal of probation.

Mr. Secrist informed the Board that he had complied with the final order and requested that the probation status be removed.

Mr. Basile stated that after review of the file the State had no objections to the withdrawal of the probation.

C. Peck moved to withdraw the probation. M. Flowers seconded the motion. Motion carried.

STATE OF INDIANA VS. JAMES R. BRESLIN, LICENSE NO. CP19500517
ADMINISTRATIVE CAUSE NO. IBA 07-05 – COMPLAINT

Mr. Breslin was not present and was not represented by counsel. The State of Indiana was represented by Tanisha Willoughby, Deputy Attorney General.

The Board noted that proper notice was given and decided to issue a Notice of Proposed Default.

J. Higgins moved to issue a Notice of Proposed Default. C. Peck seconded the motion. Motion carried.

STATE OF INDIANA V. GERALD RICHARD MAUCH, LICENSE NO. CP08523484
ADMINISTRATIVE CAUSE NO. IBA 06-01
RE: EXTENSION OF SUMMARY SUSPENSION

Mr. Mauch was not present and was not represented by counsel. Jeremy Braunstein, Deputy Attorney General represented the State of Indiana.

Mr. Braunstein informed the Board that the Emergency Suspension has been extended several times. He also reminded the Board that the civil matter is still pending and that a complaint has been filed in the case. He further requested that the Emergency Suspension be extended an additional 90 days and the case will come to a resolution at the board's next meeting.

C. Peck moved to extend the Emergency Suspension an additional 90 days. J. Higgins seconded the motion. Motion carried.

MINUTE NO. 07-53
PERSONAL APPEARANCE
ADMINISTRATIVE CAUSE NO. IBA 06-01
RE: DAVID NORRIS, CP08600288

Mr. Norris appeared as requested in his final order. Mr. Norris informed the Board that he was under house arrest for 10 months, but is no longer under house arrest. He also informed the Board that he is still doing tax and bookkeeping work; and is not holding himself out as a CPA. In addition, Mr. Norris submitted CPE and letters of recommendation reference his character for the Board's review.

MINUTE NO. 07-54
GRANTING OR DENYING PETITION FOR REVIEW AND APPOINTMENT OF
ADMINISTRATIVE LAW JUDGE

PETITION FOR REVIEW OF DENIAL OF FIRM PERMIT RENEWAL APPLICATION

ALEX B. MILLIGAN, CPA FP50100032
COMPLETE ACCOUNTING SERVICES, PC, FP50200197
EWER & MOROTZ, PC, FP59400052
MEDOR AND COMPANY, LLC, FP50500002

The Board reviewed the timely petition of denials of the firm permit renewal applications of the above firms. R. Holt moved to grant the petition and appoint Randolph Holt as the Administrative Law Judge. C. Peck seconded the motion. Motion carried.

MINUTE NO. 07-55
OLD/ NEW BUSINESS

WILLIAM R. ACKERMAN, SR., CP09200362
RE: VOLUNTARY SURRENDER OF LICENSE

Mr. Ackerman offered to surrender his CPA license after receiving a Notice of Noncompliance of CPE for the 2003-2005 reporting period. The Board determined that it would consider Mr. Ackerman's request after he submitted the civil penalty imposed. After receipt of the civil penalty, a Notice was sent to Mr. Ackerman giving him until June 8, 2007 to object to the terms of acceptance of his surrender. A reply was not received and the Board determined that it would accept the surrender of Mr. Ackerman's CPA license without any conditions including the conditions he requested.

R. Holt moved to accept the surrender of Mr. Ackerman's CPA license. J. Higgins seconded the motion. Motion carried.

APPOINTMENT OF QUALITY REVIEW OVERSIGHT COMMITTEE MEMBER

The Board reviewed and accepted Marsha Kelley's resignation from the Quality Review Oversight Committee. The Board considered a list of recommendations submitted by the Indiana CPA Society and the Indiana Society of Public Accountants.

M. Flowers moved to appoint Bruce Byers to the Committee. J. Higgins seconded the motion. C. Peck, T. Diesher, R. Beuter, and R. Holt opposed the motion. Motion failed.

R. Holt moved to appoint Linda Rhea to the Committee. J. Higgins seconded the motion. Motion carried.

REVIEW OF CONTINUING PROFESSIONAL EDUCATION (CPE) AUDITS

CPE AUDITS WITH RESPONSE TO THE NOTICE OF NONCOMPLIANCE

MARK S. MOSSMAN, CP10500113

The Notice of Noncompliance dated April 24, 2007 required that Mr. Mossman make up three (3) hours of CPE and pay a civil penalty of \$100.00. Mr. Mossman submitted the civil penalty along with the three (3) hours of CPE completed in August and September of 2006. The Board determined that this CPE was not acceptable because it was not completed as the Notice ordered “within six (6) months of receipt of the notice”.

R. Holt moved that the CPE submitted was not acceptable and that it must be completed within six (6) months of receipt of the notice. T. Diesher seconded the motion. Motion carried.

LARRY MARIETTA, CP19400396

The Notice of Non compliance dated April 10, 2007 required that Mr. Marietta make up eight (8) hours of CPE with four (4) of these hours in accounting and/or auditing and pay a civil penalty of \$100.00. Mr. Marietta submitted the civil penalty along with eight (8) hours of CPE. The Board noted that the completion certificate did not indicate that at least four (4) of these hours were in accounting and/or auditing.

R. Holt moved that four (4) of the hours were not in accounting and/or auditing and are not acceptable. J. Higgins seconded the motion. Motion carried.

THOMAS LONARIC, CP08546925

The Notice of Noncompliance dated April 10, 2007 required that Mr. Loncaric make up two (2) hours of CPE in ethics and pay civil penalty of \$100. Mr. Loncaric submitted the required CPE and the civil penalty.

R. Holt moved to remove the “Conditional” status from Mr. Loncaric’s license and return the status to “Active”. C. Peck seconded the motion. Motion carried.

MONICA BATES, CP10100481

The Notice of Noncompliance dated April 10, 2007 required that Ms. Bates make up thirty eight (38) hours of CPE and pay a civil penalty of \$340. Ms. Bates submitted the required CPE and the civil penalty.

R. Holt moved to remove the “Conditional” status from Ms. Bate’s license and return the status to “Active”. C. Peck seconded the motion. Motion carried.

CPE AUDITS WITH NO RESPONSE TO THE NOTICE OF NONCOMPLIANCE

MARK L. PERRY, CP19400447

The Board noted that Mr. Perry was not assessed a civil penalty and he has until October 2007 to submit the required CPE.

WILLIAM L. KING, CP1020024

The Notice of Noncompliance dated April 10, 2007 assessed a civil penalty of \$100, which was due within 21 days of receipt of the Notice of Noncompliance and required that he make up two (2) hours of CPE in ethics accountants within 6 months of receipt of the Notice of Noncompliance. Mr. King did not submit the civil penalty as required and the Board determined that his license should be suspended.

C. Peck moved to suspend Mr. King's license. R. Holt seconded the motion. J. Higgins recused himself. Motion carried.

CHRISTI YANKOSKY, CP19500000

The Notice of Noncompliance dated April 26, 2007 assessed a civil penalty of \$1,000, which was due within 21 days of receipt of the Notice of Noncompliance and required that she make up one hundred and twenty (120) hours of CPE within six (6) months of receipt of the Notice of Noncompliance. Ms. Yankosky did not submit the civil penalty as required and the Board determined that her license should be suspended.

R. Holt moved to suspend Ms. Yankosky's license. J. Higgins seconded the motion. Motion carried.

NONCOMPLAINT CPE AUDITS

The Board reviewed the CPE audits for the following licensees and determined that they were in non compliance for the 2003-2005 CPE reporting period and decided to issue a Notice of Noncompliance with the following terms.

SCOTT BERRY, CP09100399 - R. Holt moved to issue a Notice of Noncompliance, place the license in a "Conditional" status, assess a civil penalty of \$250.00 to be paid within 21 days of the receipt of the notice and require the make up of twenty five (25) CPE hours none of which can be self study since the licensee has already met the maximum allowance of self study hours. Proof of completion of the CPE hours must be submitted within 6 months of the receipt of the order. C. Peck seconded the motion. Motion carried.

ELIZABETH BLAIR, CP10400140 - R. Holt moved to issue a Notice of Noncompliance, place the license in a "Conditional" status, assess a civil penalty of \$370.00 00 to be paid within 21 days of the receipt of the notice and require the make up of thirty seven (37) CPE hours, which must include two (2) hours of ethics for accountants to be submitted within 6 months of the receipt of the order. C. Peck seconded the motion. Motion carried.

DAVID DENNEY, CP08579540 – C. Peck moved to issue a Notice of Noncompliance, place the license in a "Conditional" status, assess a civil penalty of \$360.00 to be paid within 21 days of the receipt of the notice and require the make up of thirty six (36) CPE hours none of which can be self study since the licensee has already met the maximum allowance of self study hours.

Proof of completion of the CPE hours must be submitted within 6 months of the receipt of the order. J. Higgins seconded the motion. Motion carried.

LARRY FRAZE, CP10000532 – R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$1,000.00 and require the make up of one hundred thirty six (136) CPE hours, which may include sixty (60) hours of self study and must include six (6) hours of accounting and/or auditing to be submitted within 6 months of the receipt of the order. C. Peck seconded the motion. Motion carried.

BRIAN FRIEND, CP19500099 - R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$100.00 to be paid within 21 days of the receipt of the notice and require the make up of two (2) CPE hours in ethics for accountants, which must be submitted within 6 months of the receipt of the order. J. Higgins seconded the motion. Motion carried.

CAROL HAYDEN, CP19400166 - R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$140.00 00 to be paid within 21 days of the receipt of the notice and require the make up of fourteen (14) CPE hours, which includes one (1) hour in ethics for accountants and must be submitted within 6 months of the receipt of the order. T. Diesher seconded the motion. Motion carried.

CODY D. HUELSMAN, CP09200217 - R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$1,000.00 to be paid within 21 days of the receipt of the notice and require the make up of one hundred eighty (180) CPE hours, which may include sixty (60) hours of self study and must include two (2) hours of ethics for accountants and twelve (12) hours of accounting and/or auditing to be submitted within 6 months of the receipt of the order. C. Peck seconded the motion. T. Diesher recused himself. Motion carried.

MARY JO HUFFMAN, CP08578853 – C. Peck moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$200.00 to be paid within 21 days of the receipt of the notice and require the make up of twenty (20) CPE hours, none of which may be in self study since the licensee has already met the maximum allowance of self study hours. Proof of completion of the CPE must be submitted within 6 months of the receipt of the order. J. Higgins seconded the motion. Motion carried.

DAVID HUNT, CP19400172 - R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$1,000.00 to be paid within 21 days of the receipt of the notice and require the make up of one hundred eighty (180) hours of CPE, which must include two (2) hours of ethics for accountants, twelve (12) hours of accounting and/or auditing and no more than sixty (60) hours in self study all of which must to be submitted within 6 months of the receipt of the order. C. Peck seconded the motion. Motion carried.

JOHN B. LECHNER, CP08524561 – R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$180.00 to be paid within 21 days of the receipt of the notice and require the make up of eighteen (18) hours to be submitted within 6 months of the receipt of the order.. J. Higgins seconded the motion. Motion carried.

JAMES E. MILNER, CP09100340 - C. Peck moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$100.00 to be paid within 21 days of the receipt of the notice and require the make up of four (4) CPE hours to be submitted within 6 months of the receipt of the order. J. Higgins seconded the motion. Motion carried

JUDY CAIN MIX, CP08100094 – R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$540.00 to be paid within 21 days of the receipt of the notice and require the make up of fifty four (54) CPE hours, which must include two (2) hours of ethics for accountants and non of the CPE may be in self study since the licensee has already met the maximum allowance of self study CPE. Proof of completion of the CPE must be submitted within 6 months of the receipt of the order. J. Higgins seconded the motion. Motion carried

JONATHAN NEWTON, CP09100378 - C. Peck moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$1,000.00 to be paid within 21 days of the receipt of the notice and require the make up of one hundred eighty (180) CPE hours, which must include two (2) hours of ethics for accountants, twelve (12) hours of accounting and/or auditing; sixty (60) of these hours may be in self study. Proof of completion of the CPE must be submitted within 6 months of the receipt of the order. J. Higgins seconded the motion. Motion carried

THERESA D. PROPS, CP19400176 - R. Holt moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$100.00 to be paid within 21 days of the receipt of the notice and require the make up of nine (9) CPE hours none of which may be in self study since the licensee has already met the maximum allowed hours in self study. Proof of completion of these hours must be submitted within 6 months of the receipt of the order. C. Peck seconded the motion. Motion carried

JON G. TROYER, CP08579817 - C. Peck moved to issue a Notice of Noncompliance, place the license in a “Conditional” status, assess a civil penalty of \$100.00 to be paid within 21 days of the receipt of the notice and require the make up of two (2) CPE hours in ethics for accountants. Proof of completion of these hours must be submitted within 6 months of the receipt of the order. J. Higgins seconded the motion. Motion carried

PROJECTS

PROJECT 01-03

RE: POTENTIAL AMENDMENTS TO INDIANA CODE 25-2.1 AND TITLE 872 OF THE INDIANA ADMINISTRATIVE CODE

HOUSE ENROLLED ACT NO. 1312

Notices of Intent to adopt rules were filed in the June Indiana Register.

LSA DOCUMENT #07-66 – RE: READOPTION OF ACCOUNTANCY RULES

The Board requested that this item be added to the July agenda for discussion.

PROJECT 05-01

RE: CERTIFIED PUBLIC ACCOUNTANT EXAMINATION SITE VISITS

No new information offered.

MINUTE NO. 07-56

ACTION ON APPLICATIONS - RE: INITIAL APPLICATIONS, RECIPROCITY APPLICATIONS, TRANSFER OF GRADES APPLICATIONS, PROFESSIONAL CORPORATION APPLICATIONS

During the application's committee meeting the Board considered issuance of a license for the above stated applications. T. Deisher moved to accept the applications as indicated on each folder. J. Higgins seconded the motion. Motion carried.

MINUTE NO. 07-57

STANDING REPORTS

BOARD LIAISON TO THE ATTORNEY GENERAL'S OFFICE – MICHAEL FLOWERS

No new information discussed.

INDIANA PROFESSIONAL LICENSING AGENCY – DEBORAH WIDEMON

The Board reviewed and noted the accountancy license count submitted as of June 15, 2007.

ADVISORY COUNSEL – JAMES SCHMIDT

No new information discussed.

MINUTE NO. 07-58

DISCUSSION

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY (NASBA)

-RESULTS OF TESTS RESCORED BECAUSE OF THE CTRL-V PASTE ISSUE

- NOMINATIONS FOR NASBA AWARDS

The Board reviewed and noted the above correspondence.

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA)

-EXPOSURE DRAFT – PROPOSED INTERPRETATION 102-7

-EXAMINATION REVIEW – RE: PASTE ISSUE

The Board reviewed and noted the above correspondence.

CORRESPONDENCE

-NOMINATIONS FOR DIRECTOR AT LARGE

ACCOUNTANCY BOARD OF OHIO – TED LONG

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY – MARION C.

PRINCE HARRISON

The Board reviewed and noted the above correspondence.

MINUTE NO. 07-59
ADJOURNMENT

There being no further business, the meeting adjourned at 12:00 a.m.

DATE: _____

Richard Beuter, Chairman

ATTEST:

Deborah Widemon, Board Director